

## HOUSE JOINT RESOLUTION 119

By Briley

A RESOLUTION urging the United States Congress to reinstate a permanent Medicaid disproportionate share hospital payment comparable to that received by other states.

WHEREAS, the State of Tennessee is one of only two states without a Medicaid disproportionate share hospital (DSH) payment; the other state is Hawaii, which has universal health care coverage; and

WHEREAS, with the implementation of a Section 1115 Medicaid waiver program, known as TennCare, in 1994, the State agreed to eliminate agreed to eliminate the DSH payment for Tennessee, operating under the belief that the costs associated with charity care would largely be reimbursed by TennCare's expansion enrollment of the uninsured and uninsurable populations; and

WHEREAS, after experiencing a slight decline in its initial years, the cost of charity care in Tennessee hospitals reached pre-TennCare levels within six years and has continued to grow; and

WHEREAS, the most recently reported claims data for Tennessee hospitals show from calendar year 2004 to calendar year 2005, the cost to hospitals of treating the uninsured as inpatients and in the emergency room increased by \$253 million; in 2005 unreimbursed TennCare costs combined with charity care, bad debt, and medically indigent care for a total cost of \$1.2 billion to Tennessee hospitals; and

WHEREAS, such unprecedented levels of uncompensated care are unsustainable and pose substantial threat of harm to the healthcare resources available in communities throughout Tennessee, especially in rural areas; and

WHEREAS, even the State, in recognition that the cost of TennCare was unsustainable, was forced to return to a traditional Medicaid program with cuts to enrollment and services; and

WHEREAS, according to the TennCare Bureau, in fiscal year 2006 both the State and the federal government will realize substantial savings from the cuts in the TennCare program; the State will save almost \$1.9 billion, with over \$1 billion accruing to the federal government; and

WHEREAS, based on CMS estimates, Tennessee would have qualified for a \$414 million DSH payment in 2003; and

WHEREAS, in the fiscal year prior to the initiation of the Section 1115 waiver, the State of Tennessee paid a DSH payment to Tennessee hospitals in the amount of \$437 million; and

WHEREAS, other states with similar Medicaid program expenditures and number of enrollees paid DSH payments to their hospitals of more than \$400 million in 2005 (Georgia, \$412 million; North Carolina, \$424 million; and Louisiana, \$1.031 billion); and

WHEREAS, with the wholehearted recognition of the value of Tennessee hospitals to Tennessee communities and their citizens, the entire Tennessee congressional delegation lent their full support to legislation that which put into place a Tennessee Medicaid DSH payment process and provided partial funding for one year (2007); and

WHEREAS, because of the impact of Tennessee hospitals to local economies and the health and well-being of communities throughout Tennessee, now is the time to make the Tennessee DSH provision payment; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED FIFTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that the members of this General Assembly urge the members of the United States Congress to reinstate a permanent Medicaid disproportionate share hospital payment for Tennessee comparable to that received by other states with comparable enrollment.

BE IT FURTHER RESOLVED, that an enrolled copy of this resolution be transmitted to the Speaker and the Clerk of the United States House of Representatives, the President and the Secretary of the United States Senate, and each member of the Tennessee Congressional delegation with this final clause omitted from such copy.